Memorandum

Date: December 11, 2012

To: Union Management & SEIU Local 521

From: Duane Law, CEO

Subject: 2012-2013 Tentative Concessions

Based on our discussion on December 4, 2012 at the Open Member Meeting, this memo serves to notify the Membership and SEIU Local 521 of the status of the reopener concessions extended by the Membership during June 2012. The concessions that were graciously extended by the Membership were requested to allow KRC Administration sufficient time to learn of the status of 2012-2013 budget allocations and to assure adequate funding to fully support the Regional Center Operations during the fiscal year.

In accordance with the discussion on December 4, 2012, the following items are put forth as resolved:

I. Furlough Days

Based on the current budget and fiscal condition of resources available, KRC Administration is confident that no furlough days are needed during the fiscal year 2012-2013 and as a result wish to notify the Membership and SEIU Local 521 that no furlough days will be activated by KRC.

II. Wage Freeze

Based on the current budget and fiscal condition of resources available, KRC Administration is confident in our budgetary condition to unfreeze all wage increases retro-active to July 1, 2012. All staff who were scheduled for a wage increase from July 1, 2012 to the current date will project to receive a retro-payment for those historic allowances with their January 16, 2013 paycheck.

III. Mileage Reimbursement Rate

Based on the current budget and fiscal condition of resources available, KRC Administration is confident in our budgetary condition to return the mileage reimbursement rate to the federal standard from the current concession standard with a start date of January 2, 2013 and going forward. All mileage accrued in 2012 will be paid at the concession rate of $0.43. All mileage driven beginning January 2, 2013 forward will be at the federal reimbursement rate of $0.56.5.

IV. Education Leave and Tuition Reimbursement

Based on the current budget and fiscal condition of resources available, KRC Administration is confident in our budgetary condition to fully restore the Education Leave and Tuition Reimbursement component of the Union Agreement. All requests for Education Leave and Tuition Reimbursement must receive prior approval by the individual's supervisor to assure conditions are available to accommodate the request in accordance with the Union Contract. Requests submitted to the supervisor will be reviewed and considered for approval beginning January 2, 2013.

Sincerely,

Duane A. Law, C.E.O.
Kern Regional Center

Union Signatures

Amy McNinch — Date: 12/11/12

Tonia Cody — Date: 12/11/12

Kristen Sodergen — Date: 12-11-12

Blanca Gamboa — Date: 12.11.12

Bernita Jenkins, SEIU 521 Representative — Date: 12/11/2012